

Message Text

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12

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02

INR-07 INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04

USIA-06 SAM-01 OES-06 SP-02 SS-15 TRSE-00 OPIC-03

XMB-02 /102 W

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R 170822Z APR 76

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 7491

INFO AMEMBASSY BRUSSELS

C O N F I D E N T I A L KINSHASA 3298

DEPT PASS EXIM, OPIC, COMMERCE, TREASURY

E.O. 11652: GDS 12/31/82

TAGS: EALR, EINV, ENRG, CG, US

SUBJECT: MOBIL-TEXACO NEGOTIATIONS TAKE NEW TURN

REF: (A) KINSHASA 2931 (B) KINSHASA 2977 (NOTAL)

1. AS REPORTED REF B, GOZ OFFERED TEXACO AGREEMENT IN PRINCIPLE FOR CREATION OF COMPANY JOINTLY OWNED BY TEXACO AND GOZ SIMILAR TO AGREEMENT PREVIOUSLY CONCLUDED WITH MOBIL (REF A).

2. JEAN POUPEAU, GENERAL MANGER OF TEXACO AFRICA, ARRIVED KINSHASA APPROXIMATELY TEN DAYS AGO AND HAS HAD SERIES OF MEETING WITHEMBOFFS AND GOZ OFFICIALS CONCERNING NOT ONLY AGREEMENT IN PRINCIPLE FOR FORMATION OF COMPANY OFFERED BY GOZ BUT ALSO SETTLEMENT OF TEXACO' COMPENSATION CLAIM. AFTER LENGTHY DICUSSIONS TEXACO SIGNED AGREEMENT WITH GOZ AS TO AMOUNT OF COMPENSATION OWED TEXACO. AMOUNT OF COM- PENSATION IS BASIC ISSUE FOR DETERMINATION OF STRUCTURE OF
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PROPOSED NEW COMPANY JOINTLY OWNED BY TEXACO AND GOZ FOR

WHICH GOZ AND TEXACO HAVE SIGNED AGREEMENT IN PRINCIPLE.

2. APRIL 16 PRESIDENCY DIRECTOR BISENGIMANA CONVOKED TEXACO, MOBIL, AND PETROFINA REPS AND TOLD THEM THAT GOZ INTENDED TO ELIMINATE PETROZAIRES AS AN OPERATING ENTITY. HE STATED THAT GOZ DESIRED THAT MOBIL, TEXACO, PETROFINA AND SHELL GET TOGETHER AND WORK OUT A PROPOSAL ACCEPTABLE TO ALL FOUR FOREIGN COMPANIES FOR RUNNING ZAIRE'S PETROLEUM INDUSTRY. THE GOZ WILL THEN TAKE AN INTEREST IN THIS COMPANY.

3. POUPEAU STATED THAT HE ASKED BISENGIMANA FOUR TIMES IF THE AGREEMENTS IN PRINCIPLE FOR THE ESTABLISHMENT OF INDIVIDUAL COMPANIES WERE STILL VALID AND EACH TIME BISENGIMANA REPLIED IN THE AFFIRMATIVE. POUPEAU OBSERVED TO EMBOFF THAT CREATION OF COMPANIES AS ORIGINALLY ENVISAGED WOULD BE EXCEEDINGLY DIFFICULT IF PETROZAIRES IS DISBANDED.

4. POUPEAU AND MOBIL REP DUBRULE TOLD EMBOFF THAT LATEST GOZ DECISION APPEARS TO GIVE DEFINITE ADVANTAGE TO PETROFINA AND BRINGS INTO QUESTION POSSIBILITY OF ESTABLISHING NEW COMPANIES OWNED BY INDIVIDUAL FOREIGN COMPANIES IN PARTNERSHIP WITH GOZ WHICH WOULD BE ECONOMICALLY VIABLE. THEY BOTH AGREED THROUGH THAT, IN VIEW OF BISENGIMANA'S STATEMENT, THERE NOW APPEARED TO BE NO ALTERNATIVE BUT FOR REPS OF OUR FOREIGN COMPANIES TO GET TOGETHER TO DETERMINE IF IT IS POSSIBLE TO REACH AN AGREEMENT ACCEPTABLE TO ALL PARTIES.

5. COMMENT: EVENING OF APRIL 15 BISENGIMANA GAVE DCM INDICATION OF GOZ'S APPARENT REVERSAL OF POL STRATEGY AND INDICATED THAT TINDEMANS HAD PERSUADED MOBUTU OF THE DESIRABILITY OF SUCH DURING RECENT MEETING. IT MAY BE POSSIBLE FOR ALL FOUR COMPANIES TO ARRIVE AT MUTUALLY SATISFACTORY AGREEMENT BUT AT THIS STAGE IT APPEARS THAT PETROFINA IS CLEARLY GAINER AT EXPENSE OF OTHER FOREIGN COMPANIES. MOBIL WILL DEFINITELY BE THE MAJOR LOSER IF PETROZAIRES IS DISBANDED AS IT HAS ENJOYED A LUCRATIVE SERVICE CONTRACT WITH PETROZAIRES. CONFIDENTIAL

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Message Attributes

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